

City of Northampton

Proposed FY2017 Water and Sewer Rates

MAYOR DAVID J. NARKEWICZ & DEPARTMENT OF PUBLIC WORKS

MARCH 2016

A solid blue horizontal bar spanning the entire width of the page at the bottom.

FY2016 Water and Sewer Rate Freeze

- November 2014 Reorganization of City Government transferred rate setting authority from former Board of Public Works to Mayor/City Council
- March 2015 Public Hearing on FY2016 rates elicited important feedback
- April 2015 Mayor Recommends freezing FY2016 rates at FY2015 levels to allow additional time for:
 - Research on alternate rate structures, conservation incentives, low-income rate relief, etc.
 - DPW to finalize and hold public forums on Comprehensive Waste Water Management Plan and Water Supply System Assessment Management Plan

Water and Sewer Rate Study Commissioned:

City contracts with Raftelis Financial Consultants, Inc. (RFC) and Woodcock & Associates, Inc. (W-A) to study water and sewer rates:

- Assess the appropriateness of the City's current rate structures in comparison to Northampton's rate structure objectives
- Develop a forecast of water and sewer rates to fund all current and future operating and capital needs while also accomplishing the City's rate structure objectives

Rate Structure Objectives:

- Promote conservation
- Provide assistance to economically disadvantaged customers
- Improve equity among customer types
- Enhance revenue stability

Key Water Capital Needs

FY2017 – FY2021 Water Line Replacement - \$4,000,000:

Conz/North Farms/North Maple/Day: Design and Construction

Hinckley Street Construction

Damon Road Waterline Design and Construction

Other Projects - TBD

FY2021 – Reservoir Dam Repairs: \$3,500,000

F.P. Ryan Reservoir

West Whately Reservoir Dam

Key Sewer Capital Needs

FY2017 – FY2021 Sewer Line Replacements and System Studies - \$2,565,000

Day Avenue/Hinckley Street
Other Projects - TBD

FY2017 – FY2021 Wastewater Treatment Plant Improvements - \$29,981,000

\$1,319,000 - Design: Aeration tanks/Disinfection system/flow measurement/electrical

\$3,984,000 - Construction: Aeration tanks/Disinfection system/flow measurement/electrical

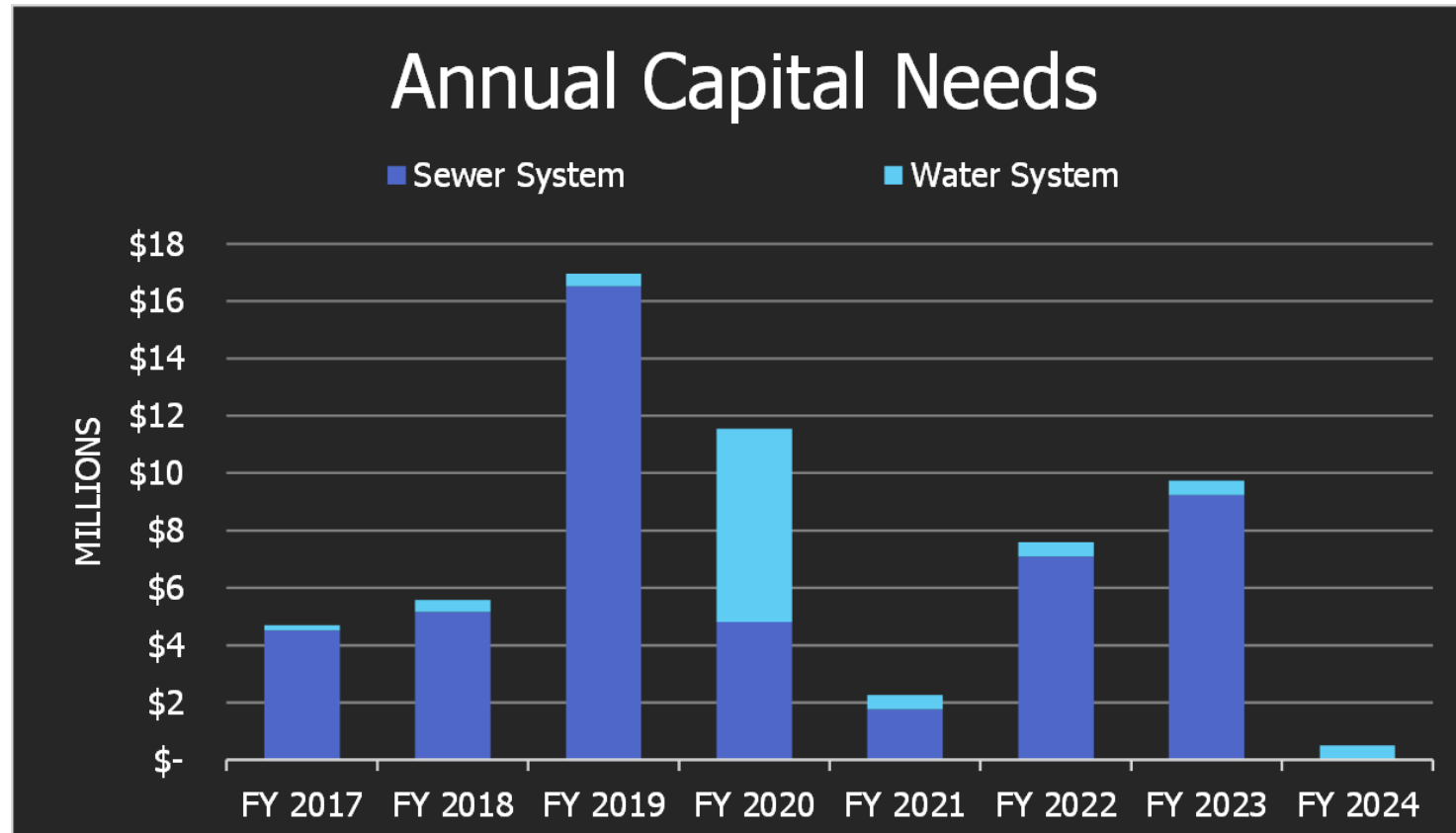
\$4,606,000 - Design: SCADA controls/dewatering system/sludge pumps/clarifiers/odor
control/intermediate pumps

\$15,720,000 - Construction: SCADA controls/dewatering system/sludge pumps/clarifiers/odor
control/intermediate pumps

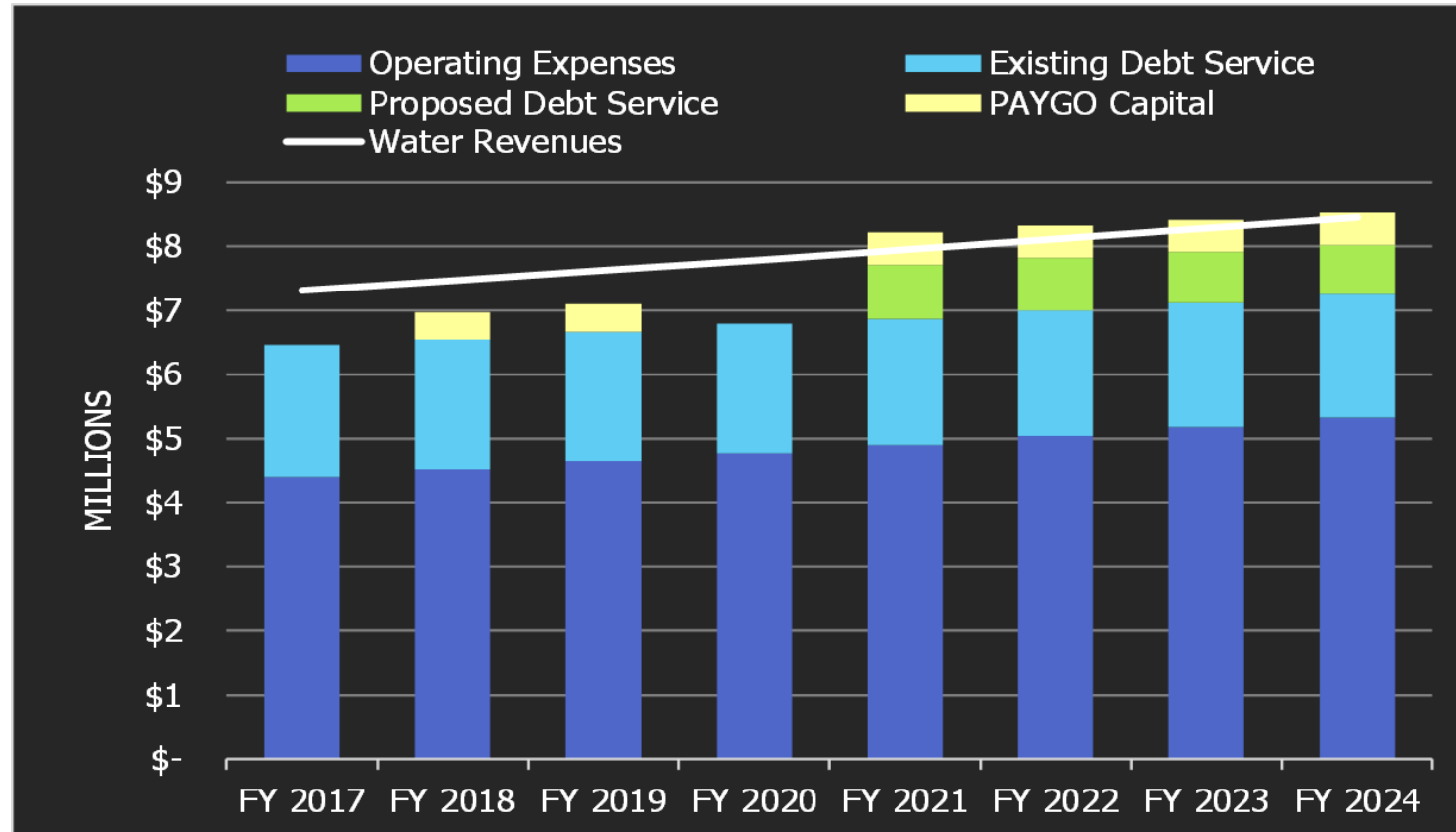
Design: Atwood/Island/Burts Pit/Rick pump stations/Mill River wall rehab

\$4,352,000 - Construction :Atwood/Island/Burts Pit/Rick pump stations/Mill River wall rehab

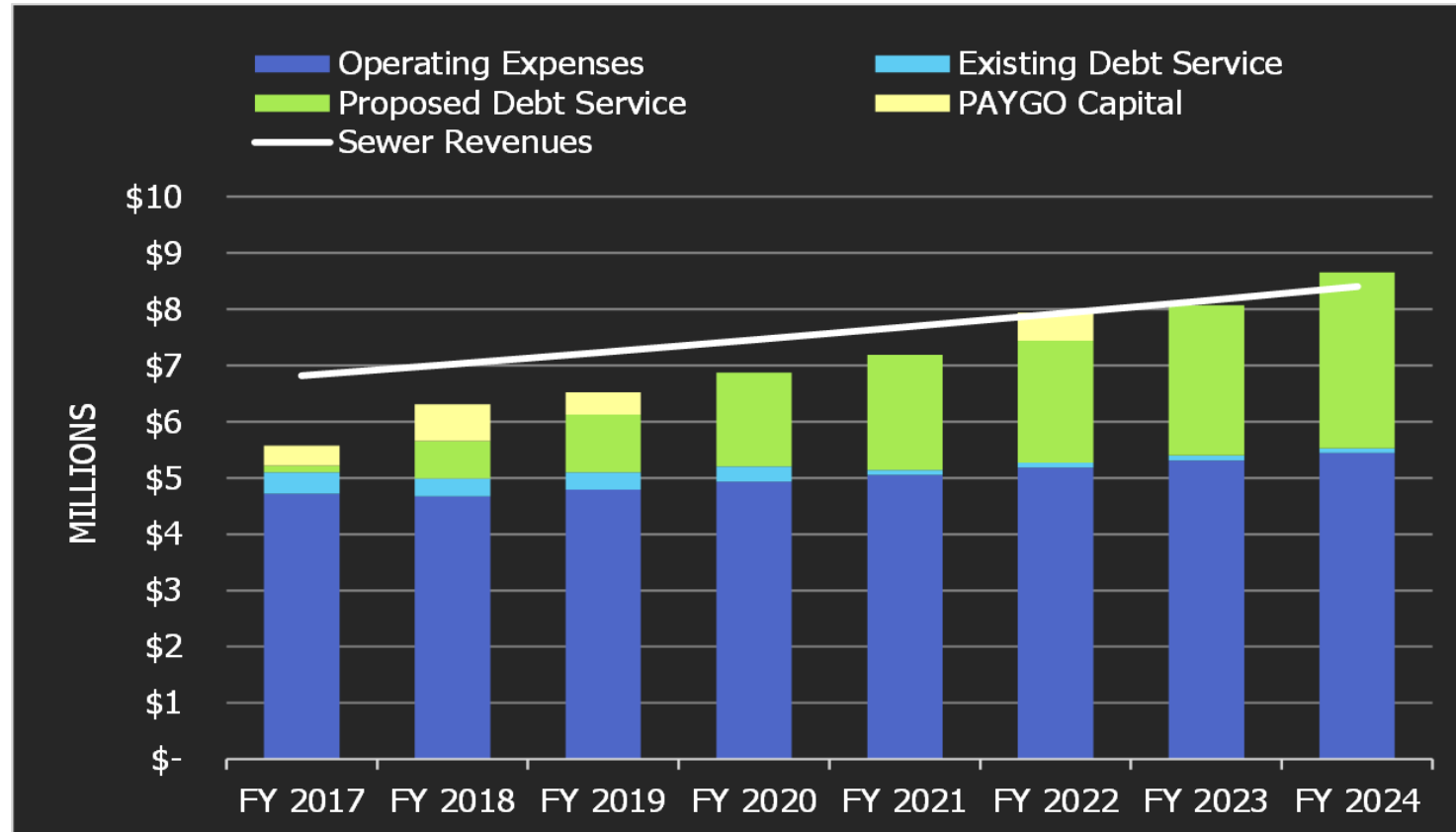
Capital Improvements Plan



Water Financial Plan



Sewer Financial Plan



CURRENT WATER RATE STRUCTURE

- All customers are charged the same volumetric rate regardless of type, size, or the amount of water used
- A very small fixed charge is assessed per bill, which recovers very little of the water system's fixed costs
- No private fire protection charges
- FY2016 Water Rate - \$5.58 per CCF

CURRENT SEWER RATE STRUCTURE

- All customers are charged for sewer services based on 100% of metered water consumption, except for a small number of large industrial customers
- FY2016 Sewer Rate - \$6.08 per CCF of metered water consumption

Key Recommendations:

- Provide economic assistance to customers who qualify based on current tax exemption criteria
- Create a two-tier water rate structure for small meters
- Implement a larger fixed charge
- Create new private fire protection charges
- Bill sewer rate at 80% of metered water consumption

FY2017 Water and Sewer Rates

Recommended for City Council Approval

WATER RATE

Customers with 1" meter or smaller:

Tier 1 consumption: 0 – 16 CCF \$4.73 per CCF

Tier 2 consumption: >16 CCF \$6.21 per CCF

Customers with meter larger than 1":

All consumption \$6.09 per CCF

SEWER RATE

Non-metered \$7.52 per CCF based on 80% of metered water consumption

Metered \$7.52 per CCF

16 CCF Conservation Rate

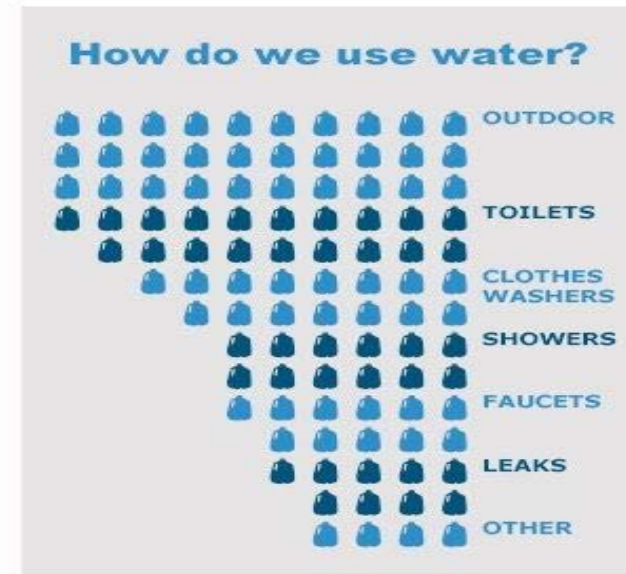
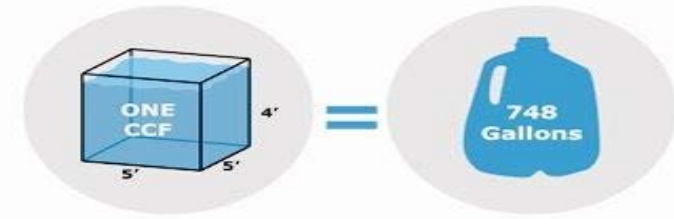
DEP Daily Individual Consumption Goal =
65 gallons/person/day

65 gallons/person/day x 2.07 average household
= 134.6 gallons/day/average household

134.6 gallons/day/average household divided by
7.48 gallons (1 cubic foot) = 18.00 cubic feet

18.00 cubic feet x 90 days = 1,620 cubic feet per
quarter

1,620 cubic feet per quarter divided by 100 =
16 CCF per quarter



FY2017 Quarterly Fixed Charge

Set by Department of Public Works (DPW)

Meter Size	Quarterly Fixed Charge
5/8"	\$12.64
3/4"	\$18.96
1"	\$31.59
1.5"	\$63.17
2"	\$101.07
3"	\$189.51
4"	\$315.85
6"	\$631.69
8"	\$1,010.69

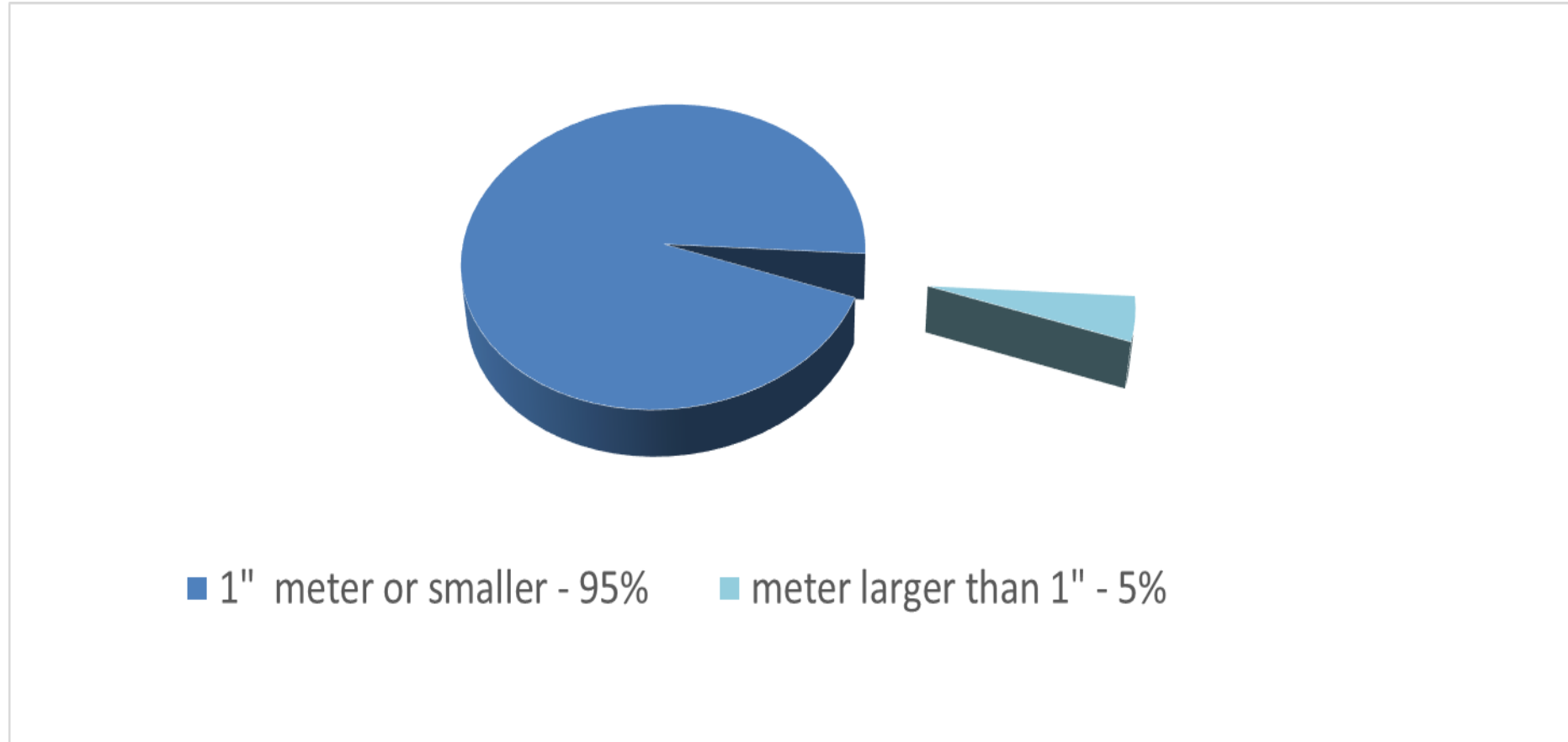
Affordability Program:

Customers who currently qualify for a low-income exemption on Real Estate or the Community Preservation Act (CPA) will also automatically be exempted from this fixed charge on their utility bill.

This not only reduces the customer's bill, but also removes the only portion of the bill that the customer cannot reduce through conservation

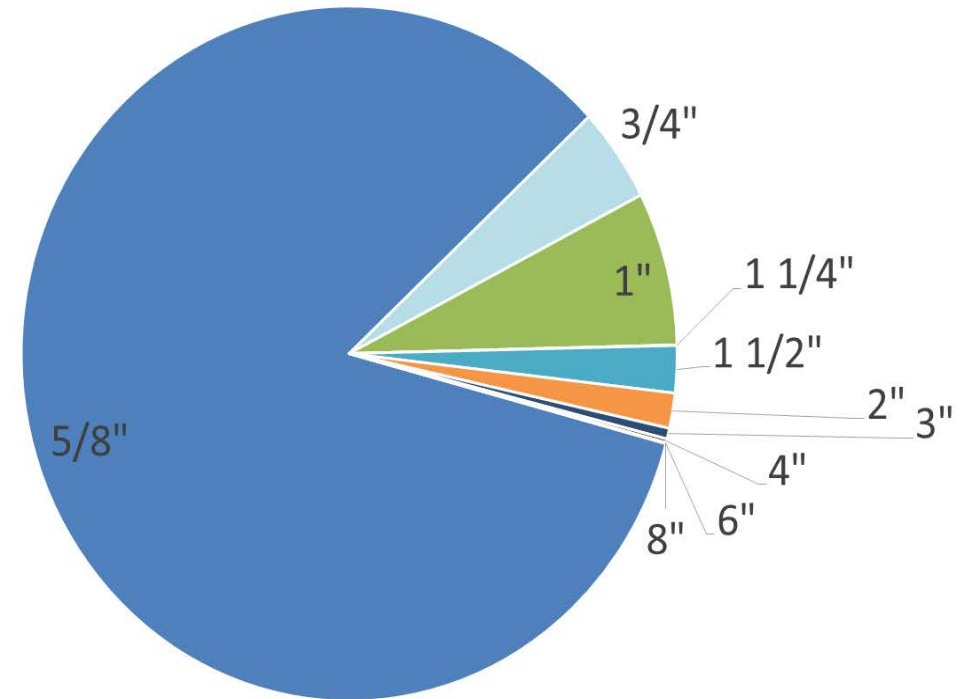
Customer Breakdown:

1" meter or smaller (8,135) vs meter larger than 1" (389)



Customer Breakdown by Meter Size:

Meter Size	Customers	%
5/8"	7151	83.89%
3/4"	375	4.40%
1"	609	7.14%
1 1/4"	2	0.02%
1 1/2"	187	2.19%
2"	139	1.63%
3"	43	0.50%
4"	15	0.18%
6"	2	0.02%
8"	1	0.01%
Total	8524	100.00%



FY2017 Quarterly Fire Protection Charge

Set by Department of Public Works (DPW)

Fire Line Diameter	Quarterly Charge
<2"	No Charge
2"	\$10.00
3"	\$25.00
4"	\$60.00
6"	\$170.00
8"	\$360.00
10"	\$645.00

CUSTOMER IMPACT - WATER

(Quarterly Bill Comparison)

CCF	Size	FY2016	FY2017	\$ Change	FY2017 with Income Discount	\$ Change with Income Discount
3	5/8"	\$17.74	\$26.83	\$9.09	\$14.19	(\$3.55)
6	5/8"	\$34.48	\$41.02	\$6.54	\$28.38	(\$6.10)
9	5/8"	\$51.22	\$55.21	\$3.99	\$42.57	(\$8.65)
12*	5/8"	\$67.96	\$69.40	\$1.44	\$56.76	(\$11.20)
15	5/8"	\$84.70	\$83.59	(\$1.11)	\$70.95	(\$13.75)
20	5/8"	\$112.60	\$113.16	\$0.56	\$100.52	(\$12.08)
50	1"	\$280.75	\$318.41	\$37.66	N/A	N/A
200	2"	\$1,121.00	\$1,319.07	\$198.07	N/A	N/A
500	3"	\$2,800.00	\$3,234.51	\$434.51	N/A	N/A
1,000	4"	\$5,595.00	\$6,405.85	\$810.85	N/A	N/A
2,000	6"	\$11,190.00	\$12,811.69	\$1,621.69	N/A	N/A

* Represents Typical Residential Customer (12 CCF is approximately 9,000 gallons)

CUSTOMER IMPACT – SEWER

(Quarterly Bill Comparison)

CCF	80% of CCF	Size	FY2016	FY2017	\$ Change
3	2.4	5/8"	\$18.24	\$18.05	(\$0.19)
6	4.8	5/8"	\$36.48	\$36.10	(\$0.38)
9	7.2	5/8"	\$54.72	\$54.14	(\$0.58)
12*	9.6	5/8"	\$72.96	\$72.19	(\$0.77)
15	12	5/8"	\$91.20	\$90.24	(\$0.96)
20	16	5/8"	\$121.60	\$120.32	(\$1.28)
50	40	1"	\$304.00	\$300.80	(\$3.20)
200	160	2"	\$1,216.00	\$1,203.20	(\$12.80)
500	400	3"	\$3,040.00	\$3,008.00	(\$32.00)
1,000	800	4"	\$6,080.00	\$6,016.00	(\$64.00)
2,000	N/A	6"	\$12,160.00	\$15,040.00	\$2,880.00

* Represents Typical Residential Customer (12 CCF is approximately 9,000 gallons)

CUSTOMER IMPACT — COMBINED WATER AND SEWER

(Quarterly Bill Comparison)

[illegible]

Customer Impacts – Combined Water and Sewer

Average Quarterly Bill Comparison – Local Businesses


Business/Organization	Meter Size	Average Quarterly Consumption (CCF)	Quarterly Water and Sewer Under Current Rate Structure	Quarterly Water and Sewer Under Proposed New Rate Structure	Net Quarterly Difference
Coopers' Corner	1"	68	\$ 788.80	\$ 833.17	\$ 44.36
Faces/TD Bank	2"	55	\$ 646.30	\$ 766.90	\$ 120.60
Fairfield Inn	4"	460	\$ 5,382.49	\$ 5,888.65	\$ 506.16
Florence Barber Shop	1 1/2"	123	\$ 1,431.35	\$ 1,546.16	\$ 114.81
Florence Hardware	5/8"	8	\$ 94.28	\$ 98.61	\$ 4.33
Florence Pizza	3/4"	53	\$ 619.23	\$ 643.26	\$ 24.03
Joe's Café	1"	116	\$ 1,357.23	\$ 1,429.18	\$ 71.96
Main Street Cleaners	3/4"	60	\$ 697.94	\$ 725.78	\$ 27.85
Northampton Brewery	1 1/2"	516	\$ 6,013.73	\$ 6,303.81	\$ 290.08
Paradise Copies	3/4"	56	\$ 117.85	\$ 126.42	\$ 8.57
Spoletto	5/8"	216	\$ 2,513.73	\$ 2,623.66	\$ 109.93
Stop and Shop	2"	388	\$ 4,523.25	\$ 4,792.15	\$ 268.90
Sylvester's Restaurant	5/8"	214	\$ 2,499.16	\$ 2,608.38	\$ 109.23
Thornes Marketplace	1 1/2"	808	\$ 9,418.45	\$ 9,838.77	\$ 420.31

Water and Sewer Bill Calculator:


[www.northamptonma.gov/1667/Water-Sewer-Bill-Calculator](#)

Create an Account - Increase your productivity, customize your experience, and engage in information you care about.


[Sign In](#)




Northampton Boards,
Committees & Commissions




Landfill Solar Array




Reverse-911 Notification
System




Winter Storm Page




Fiscal Transparency




Senior and Veteran Tax Work
Off Program




Single Use Plastic Bag Ban




Water and Sewer Rate Study




Make a Request




Notify Me




City Jobs




Bids & RFPs




Pay Online



My Dashboard



Community Voice
Your Opinion Matters




CODE RED
Reverse 911

WATER & SEWER BILL CALCULATOR

The City of Northampton will be implementing new fixed charges and tiered volumetric rates for water and sewer customers effective July 1, 2016. We have set up this calculator to allow customers to calculate their estimated water and sewer bills under the new rate structure using one of their previous quarterly bills.

STEP 1:

Identify your meter size and total water consumption from one of your recent FY2016 quarterly utility bills. The location of those two numbers are circled in red on the sample bill below.



City of Northampton
Office of the Tax Collector
212 Main Street, Room 305
Northampton, MA 01060-3191
PH: 587-1293

UTILITY BILL
Customer Copy
Keep this portion for your records

Customer				Location			
Account Number		Parcel Number		Bill Number		Bill Date	
[REDACTED]		[REDACTED]		01/08/2016		02/09/2016	
Description	Period	Previous	Previous	Previous	Previous	Usage	Charge
	Start Date	Start Date	End Date	Meter Reading	Meter Reading		
METER SIZE	12/08/2015	06/25/2015		151700	140800	2100	1.00
WATER	12/08/2015	06/25/2015					117.18
SEWER	12/08/2015	06/25/2015					127.88

Meter Size

Water Usage

STEP 2:

Select your meter size, indicate whether or not your home or business is on city sewer, and input your metered quarterly water usage in the fields below and hit the "Calculate" button. Hit "Reset" to correct an error or enter information from another bill.

Meter size:

☐ 5/8"

☐ 3/4"

☐ 1"

☐ 1.5"

☐ 2"

☐ 3"

☐ 4"

☐ 6"

☐ 8"

Does your current bill include Sewer?

☐ Yes

☐ No

Usage:

cf

Calculate

Reset

STEP 3:

Review summary below of what your quarterly water and sewer charges would calculate to after applying the new FY2017 rate structure to your past consumption. These numbers are for comparison purposes only - your actual bill will be based on actual future water consumption.

Meter size: 5/8

Quarterly Water Consumption: 21.00 Ccf

Quarterly Fixed Charge: \$12.64

Quarterly Water Charge: \$106.73

Quarterly Sewer Charge: \$126.34

TOTAL Quarterly Water & Sewer Charges: \$245.71

NOTE: Customers who currently qualify for a low-income exemption on Real Estate or the Community Preservation Act (CPA) will receive an exemption on their water and sewer bill equivalent to the fixed charge.

Massachusetts Water Infrastructure: Toward Financial Sustainability (2012 Report)

“For a service that has a very high societal value, where failures will cause great inconveniences, loss of business, and jeopardize the public health, we often fail to pay enough for the service.

Ironically, many of us see the value in high monthly fees for internet or cable service. As a point of comparison, water rates on an annualized basis compare to the following rates paid for other commonly used utilities, see chart on right.

In a 2010, the ITT Corporation conducted a survey of American voters concerning the value of water. Sixty nine percent of those polled agreed with the statement: ‘I generally take my access to clean water for granted.’ A full 95% of American voters polled in the same survey value water over any other services they receive, including heat and electricity.”

Current Average Rates Expressed As Average Monthly Payment And As Percentage Of Median Household Income

	Avg Monthly Pmt.	% MHI
Water rate	\$ 28	0.52%
Sewer rate	\$ 41	0.75%
Cellular Phone	\$50-60*	0.92%-1.10%
Cable TV/ Internet	\$70**	1.28%
Electricity	\$45-65†	0.83%-1.19%

Sources: *Kiplinger's May 2009; **Centris Research April 2009; †Mass. EOEAA website